

Business Value Assessment

Prepared for City of San Luis

by UKG Value Consulting

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Executive Summary

About Your UKG Value Analysis

The following UKG Value Analysis reflects a joint working session between UKG and key stakeholders at your organization. Inputs in this document were gathered through UKG discovery and validated with stakeholders, and the results represent potential value enabled by adopting UKG Ready capabilities in scope.

This analysis organizes value across five pillars that UKG delivers:

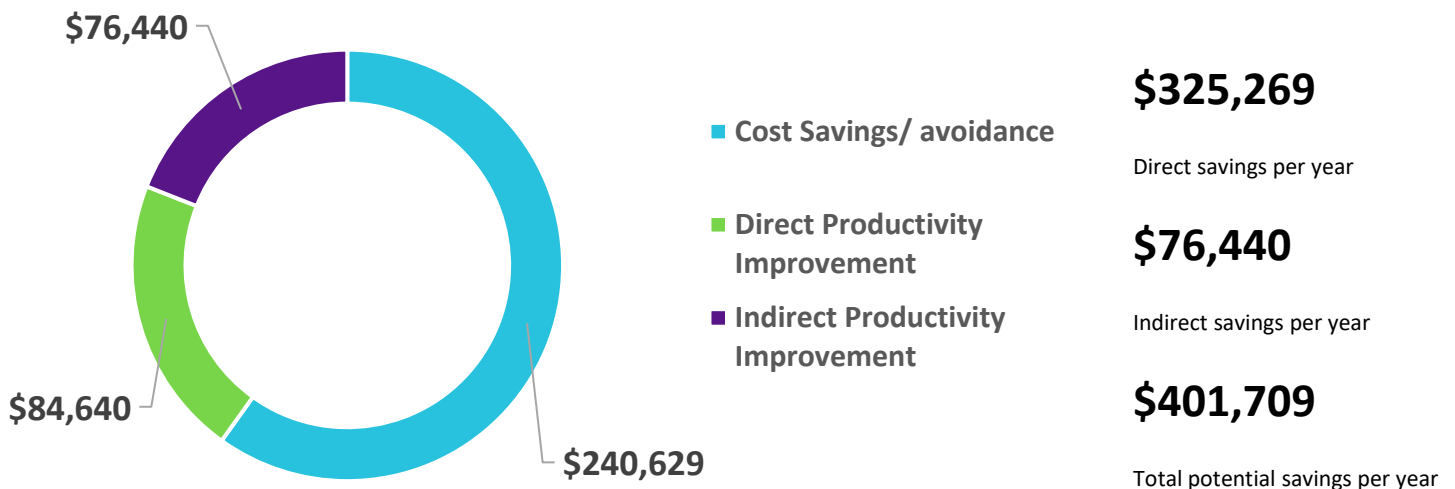
- **EBITDA Impact:** Reduce labor cost leakage and avoidable spend through stronger control of overtime, time inflation, and payroll accuracy.
- **Improved Operational Productivity:** Give managers and frontline leaders time back with real-time visibility, faster exception handling, and easier day-to-day workforce execution.
- **Increased Administrative Efficiency:** Streamline HR, payroll, benefits, and IT effort by consolidating data, reducing duplicate work, and accelerating routine transactions through self-service and automation.
- **Improved Compliance:** Strengthen policy enforcement, audit readiness, and regulatory confidence through consistent rules, alerts, standardized processes, and reliable workforce data.
- **Increased Employee Engagement:** Improve the employee experience with easier access to information, faster resolution of common needs, and more consistent manager communication and recognition.

The potential benefits shown in this document are driven by a combination of addressing critical business issues, improving process effectiveness and ease, increasing visibility and control, and automating routine work across the workforce lifecycle.

In conjunction with your data, this UKG Value Analysis makes use of third-party research and studies produced through organizations such as SHRM, the American Payroll Association, and the Department of Labor, as well as research and consulting firms such as Nucleus Research and Forrester Research. Source materials are cited where appropriate.

Value Summary

Benefits by year



Each row below represents ways in which the UKG solution will drive savings for your organization based on your environment, your data, and your business needs. Details for each of these value areas can be found in subsequent sections of this document.

Direct Cost Savings

Reduced Payroll Errors	\$183,456
Reduced Employee Turnover Costs	\$57,173
Direct savings per year	\$240,629

Direct Productivity Improvement

Increased Payroll Productivity	\$15,600
Reduced Employee Onboarding / Administration Cost	\$3,300
Increased Employee Self-Service Opportunity Cost	\$23,100
Increased HR Administration Productivity	\$39,312
Increased IT Productivity	\$3,328
Direct Improvement savings per year	\$85,053

Indirect Productivity Improvement

Increased Manager Productivity	\$76,440
Direct Improvement savings per year	\$76,440

Reduced Payroll Error Rate: UKG Ready helps improve administrative efficiency and compliance confidence by reducing payroll errors through automated rules, unified time and pay data, and fewer manual handoffs that create audit and rework risk.

Calculation and input errors occur when staff miscalculate hours worked, misapply pay rates and differentials, misinterpret labor rules, or incorrectly transcribe hour and wage data between forms and systems. This results in employees being paid too little or too much in a pay period and increases rework, avoidable cost, and compliance exposure, especially in environments with complex rules and disconnected tools.

The number and magnitude of these errors typically fall on a curve:

- Finance and accounting controls generally identify large errors, while employees are incentivized to identify any underpayments.
- Smaller overpayments are harder to recognize and can go unnoticed or unreported, creating ongoing labor leakage.

UKG Ready helps reduce payroll errors so effectively because time, scheduling, and payroll processing work together in one unified solution. Employee time flows from capture into payroll without manual re-keying, which reduces transcription errors and the back-and-forth that often drives corrections. Automated pay rules help apply rates, premiums, and differentials consistently, reducing misinterpretation and manual calculation. Integrated scheduling further improves accuracy by letting managers align missed punches to scheduled start times rather than guessing, and by surfacing exceptions earlier so they can be resolved before payroll close. Where productivity-based pay applies, integrating the source system with UKG Ready can feed adjustments automatically, reducing manual intervention and supporting cleaner, more auditable payroll outcomes.

According to an APA payroll survey, companies that moved from partial automation to full automation achieved a 0.80 percent reduction in payroll error, while organizations that switched to a new vendor realized a 0.33 percent reduction in payroll error. Furthermore, in 2019, Nucleus Research found that companies with manual time sheets make data entry errors that result in an average overpayment of 1.2 percent of total payroll costs. Over 95 percent of this amount can be recovered using an automated time and attendance system.

Total annual payroll	\$20,384,000
Estimated payroll error rate	1.20%
Reduction in manual calculation and input errors	75%
Predicted annual cost savings / avoidance	\$183,456

Reduced Employee Turnover: UKG Ready helps protect EBITDA and strengthen employee engagement by giving leaders and managers earlier visibility into retention risk and the tools to act sooner, reducing avoidable turnover and the productivity loss that comes with backfilling roles.

Strategic hiring and strong employee retention directly impact the overall success of your organization. When an employee leaves, the organization absorbs the cost to recruit, onboard, and train a replacement, often along with lost productivity and the departure of role-specific knowledge and relationships. Identifying retention risks early and taking action to address employee concerns before they escalate can improve continuity, stabilize operations, and reduce the financial drag of recurring backfills.

Common forms of turnover that drive cost and disruption include:

- Voluntary turnover (employees choosing to leave)
- Involuntary turnover (terminations, attendance-related separations)
- Early-tenure attrition (new hires leaving before ramping to full productivity)
- Regrettable turnover (top performers and hard-to-replace roles)

In many organizations, the challenge is not recognizing turnover after it happens, it is lacking timely, actionable visibility into where it is trending, who is most impacted, and which leading indicators (schedule instability, attendance patterns, manager hotspots, lack of recognition, limited communication) are contributing, which limits the ability to intervene before disengagement becomes an exit.

UKG Ready helps by providing real-time workforce insights that make retention trends visible earlier and easier to act on. Leaders and managers can track turnover patterns, including voluntary versus involuntary, segment results by location, department, role, or manager, and connect outcomes to operational signals like scheduling stability and attendance. UKG Ready also supports day-to-day engagement by enabling more consistent communication and recognition moments, helping employees feel informed, supported, and valued so retention efforts are not limited to annual programs.

External turnover studies estimate fully loaded cost of turnover ranging from 50 percent to 125 percent of annual pay. Research by Nucleus found that UKG customers achieved an overall increase in employee satisfaction and reduction in employee turnover, with some organizations experiencing reductions in turnover ranging from 30 to 60 percent.

# of employees	350
Average cost of turnover	\$14,850
Current turnover rate	22%
Reduction in employee turnover cost	5%
Predicted annual cost savings / avoidance	\$57,173

Increased Payroll Productivity: UKG Ready increases administrative efficiency and strengthens compliance confidence by streamlining payroll processing through unified time, HR, and payroll data, reducing exception-driven rework and improving on-time, accurate pay.

Payroll productivity is the ability to run accurate, on-time payroll with minimal rework despite frequent changes in time, employee status, pay rules, and compliance requirements. When payroll teams spend too much time chasing exceptions, reconciling data, and correcting errors, payroll cycles slow down, administrative effort rises, and compliance risk increases.

The most common drivers of payroll productivity loss include:

- Manual data entry and re-keying across time, HR, and payroll
- High volumes of exceptions (missed punches, late approvals, retro changes, adjustments)
- Time spent auditing payroll due to inconsistent data and disconnected processes
- Compliance monitoring across changing regulations, taxes, and reporting requirements
- Reporting and reconciliation work pulled from multiple systems and formats

In many organizations, the core issue is fragmentation. Time, HR changes, and payroll inputs live in different places and arrive at different times. That creates handoffs, duplicate work, and last-minute scrambles that force payroll teams into manual checks and corrections to ensure pay is right.

UKG Ready helps improve payroll productivity by unifying payroll, time, and HR in one unified solution so data stays consistent and flows through a single process. Approved time feeds directly into payroll, and employee changes can be routed through structured workflows to reduce back-and-forth and rework. Automated calculations, validations, and configurable alerts help teams catch issues earlier, while real-time reporting supports faster reconciliation and stronger process control ahead of payroll close.

Nucleus Research found that most UKG customers can recapture more than 80 percent of the time payroll spends managing the payroll process and finalizing each pay period.

# of payroll administrators processing payroll	2
Average annual payroll admin hours spent processing payroll	520
Average hourly wage of payroll administrators	\$25
Reduction in payroll processing time	60%
Predicted annual direct productivity improvement	\$15,600

Reduced Employee Onboarding and Benefits Administration Cost: UKG Ready increases administrative efficiency and supports compliance confidence by streamlining onboarding and benefits administration through employee self-service, workflow-driven approvals, and more consistent carrier updates with fewer handoffs.

Benefits and onboarding administration productivity is the ability to set up benefit plans, manage enrollment and life events, and bring new hires onboard efficiently while keeping elections and eligibility information accurate and secure. When these processes rely on manual forms, duplicate entry, and back-and-forth validation, HR spends more time on transactions and follow-up, which can delay coverage changes and increase compliance risk.

The most common sources of benefits administration effort include:

- Plan setup and annual open enrollment preparation
- Employee questions and corrections during enrollment windows
- Life event processing (new dependents, status changes, address changes)
- Verifying eligibility, approvals, and required documentation
- Updating carriers and reconciling changes across systems

In many organizations, time loss comes from handoffs and incomplete information. Elections arrive through multiple channels, approvals are handled outside the system, and carrier updates require extra steps. Those gaps increase follow-up work, delay changes, and create opportunities for errors.

UKG Ready Benefits provides a single place to configure benefit offerings and administer enrollments and life events, with employee self-service that enables employees to review options and manage elections electronically. Workflows and notifications help route tasks to the right approvers and prompt completion, reducing manual chasing and email-based coordination. Where carrier connectivity is used, enrollment changes can be sent more consistently and securely, reducing manual keying and reconciliation effort. Because recruiting is natively integrated with HR, once a candidate is hired, their information can carry forward into the employee record, minimizing re-entry as onboarding and benefits processes begin.

Nucleus Research found the average administrator spends between 45 and 120 minutes processing each new employee activation and up to 3 full work weeks (120 hours) to complete benefit enrollment each year. Organizations can expect to recover between 70 and 90 percent of this administrator time with UKG Benefits.

Total annual hours spent on benefits administration	160
Number of new hires per year	60
Average hourly wage of Benefits department	\$30
Reduction in Benefits administration time	50%
Predicted annual direct productivity improvement	\$3,300

Increased Productivity from Employee Self-Service: UKG Ready increases administrative efficiency and employee engagement by giving employees always-available self-service, enhanced by Bryte AI, so routine questions are resolved faster with fewer HR touchpoints.

Employee self-service helps employees get what they need, when they need it, without waiting for business hours or relying on HR as the middleman. When employees can directly access schedules, time off, and key pay and job information, it improves responsiveness and trust while reducing the volume of routine inquiries HR must manage.

The most common forms of HR inquiry and administrative time that self-service helps reduce include:

- What is my schedule and who am I working with
- How much PTO do I have and what is the status of my request
- Where do I find my pay information
- Can you update my personal details
- What changed in my job, pay, or position history
- Basic how do I questions that otherwise become emails, calls, or tickets to HR

In many organizations, the issue is not that HR cannot answer these questions, it is that employees do not have an easy, always-available way to find answers themselves. That drives avoidable back-and-forth, delays resolution, and pulls HR into repetitive tasks that could be handled through guided self-service.

UKG Ready helps by giving employees secure, anytime access to personal information, pay-related details, job and employment history, schedules, and time-off requests from any device, including notifications and language preferences where enabled. UKG Ready also expands self-service with UKG Bryte AI, which provides instant, personalized answers and support so employees can complete everyday tasks and resolve common questions without HR needing to run reports, navigate screens, or respond manually.

HR staff can spend up to 4 hours per year per employee on transactions that can be addressed through self-service. Nucleus found that by automating employee self-service, organizations are able to eliminate over 85 percent of the costs, including both the cost for employee time and the cost for manager or human resources to address the employee inquiry.

# of employees	350
Average annual hours spent per employee on self-service addressable issues	4
Average hourly wage of HR administrators	\$30
Reduction in HR hours spent on self-service addressable issues	55%
Predicted annual direct productivity	\$23,100

Increased HR Administration Productivity: UKG Ready helps increase administrative efficiency and strengthen compliance confidence by standardizing HR transactions, reducing manual handling, and accelerating answers to employee questions so HR and payroll teams can scale support with less effort.

Many standard HR transactions require retrieving and entering employee data in multiple places because information can originate in different tools, databases, or paper forms. Even when processes exist, multiple approval steps and manual routing can create bottlenecks. Double-entry, unnecessary verification, and manual form signatures are common sources of lost time in HR and payroll teams, and they also increase the likelihood of inconsistent records that can create audit and compliance risk.

The most common forms of HR administration inefficiency include:

- Re-keying employee changes across systems (job, pay, status, org changes)
- Manual forms and signatures (printing, scanning, chasing approvals)
- Email-driven case handling (back-and-forth to answer simple questions)
- Ad hoc reporting across multiple data sources and formats

In many organizations, the issue is not the absence of HR processes, it is that the work is fragmented across systems and channels. That fragmentation increases cycle times, creates inconsistent data, and pushes HR into reactive work (answering questions, correcting records, tracking down approvals) instead of higher-value initiatives.

UKG Ready helps improve HR administration productivity by consolidating employee data and standardizing common transactions through self-service, workflows, and automated notifications so requests route correctly, approvals are captured electronically, and changes update the system of record with fewer handoffs. It also reduces time spent responding to routine questions by making information easier to access, and with UKG Bryte AI, HR teams can get fast answers to questions about workforce data, policies, time, and pay without relying on ad hoc reports or deep system navigation.

Customer case studies by Nucleus Research of UKG customers show savings of up to 95% of HR manual tasks through automation and unification of people management systems. Results depend on the level of automation and integrations already in place.

# of HR administrators completing manual tasks	3
Average annual HR admin hours spent on manual tasks	728
Average hourly wage of HR administrators	\$30
Reduction in HR manual tasks	60%
Predicted annual direct productivity improvement	\$39,312

Reduced IT Requirements: UKG Ready increases administrative efficiency and strengthens compliance confidence by simplifying workforce system administration and connectivity, reducing the ongoing IT effort required to support secure access, integrations, and change management.

IT productivity in the HCM space is the ability to keep workforce systems reliable, secure, integrated, and current without requiring frequent IT involvement for routine requests or ongoing maintenance. When system administration, integrations, and troubleshooting require regular IT effort, delivery to the business slows, compliance controls become harder to sustain consistently, and IT capacity is diverted from higher-value initiatives.

The most common drivers of IT effort in HR, payroll, and workforce systems include:

- Maintaining integrations and resolving breakages after changes
- Supporting user access, security roles, and audit requirements
- Managing configuration updates, testing, and release impacts
- Troubleshooting data issues across disconnected tools
- Building and maintaining custom interfaces or point solutions

In many organizations, the underlying challenge is complexity. Multiple systems and connections increase handoffs, monitoring, and maintenance, which can create incremental IT workload and slow the pace of business change.

UKG Ready can help reduce IT involvement by consolidating HR, payroll, and workforce management capabilities in one platform with centralized security, administration, and reporting so more day-to-day work can be handled through configuration rather than custom development. UKG Ready can also simplify system connectivity through the UKG Ready Solutions Exchange, which provides pre-built integrations and partner apps that organizations can deploy and manage, often reducing the need to build and maintain one-off connections. Continuous product updates and role-based controls further support reliability and security while reducing the operational burden of customer-led upgrade projects.

Discussions with UKG clients have shown that FTE requirements to support HCM solutions drop by half when the organization moves to the cloud. The benefit of shifting IT resources towards more strategic projects is challenging to assess, the calculations included below, consider the reduction in fully-burdened FTE salary for these resources. Once redeployed, other benefits of moving to the cloud are likely to occur which could be greater than the nominal benefits below. 94% of businesses report significant online security improvements after moving their data to the cloud, and 91% of businesses state cloud tech proves immense help when dealing with government compliance requirements.

Average annual IT department hours spent supporting people management	208
Average hourly wage of IT department	\$40
Reduction in IT time spent on people management function	40%
Predicted annual direct productivity improvement	\$3,328

Increased Manager Productivity : UKG Ready helps improve operational productivity and protect EBITDA by giving managers time back and real-time visibility so they can spend more of their day coaching teams and running operations, not chasing exceptions and administrative tasks.

In any industry, supervisors provide a critical link between an organization’s leadership strategy and the methods it uses to execute that strategy in the field. Their responsibility is to ensure quality products or services are delivered to customers in a safe and efficient manner, and their time is often the limiting factor in execution.

Quality, safety, and efficiency tend to improve when supervisors are present with their teams and can suffer when administrative work pulls them into back offices, forces them to chase information across systems, or requires extra hours to complete routine tasks. Detailed people-management activities like schedule building, exception cleanup, and investigating time or pay issues can also consume attention and reduce the capacity supervisors have for the work they were hired to do, which can increase operating risk and overtime pressure.

UKG’s discussions with clients consistently support the view that a fully engaged supervisor, close to employees and equipped with timely visibility, can improve quality, safety, and efficiency. UKG typically sees the following connections:

- When quality goes down, efficiency goes down (rework, returns, complaints); customer engagement can decline; and labor effort goes up, often driving overtime.
- When safety issues increase, morale is affected, which can further reduce quality and efficiency; the organization also absorbs additional cost through workers’ comp claims, leave, light duty, and backfill coverage.

UKG Ready helps increase manager productivity by reducing manual work and making it easier to act in the moment. Managers can approve requests, address exceptions, and respond to employee needs from anywhere using the UKG Ready mobile app, while automated rules, alerts, and workflows reduce routine follow-up for missed punches, break compliance, schedule deviations, time off, and attendance policies. UKG Ready also brings HR, payroll, and workforce management together so managers spend less time switching systems and more time using one place to view schedules, timecards, employee information, and reporting.

A recent study by Forrester Research of UKG customers found that the typical manager saves 208 hours annually. Forrester assumes that not all of the time saved is used for additional work; some of that saved time is likely repurposed for breaks, socializing with colleagues, and such. As a standard, 50% productivity realization is used.

Number of managers	35
Average annual hours saved per manager	156
Average hourly wage of managers	\$35
Productivity realization factor	40%
Predicted annual direct productivity improvement	\$76,440

Unquantified Benefits of UKG Ready

Compliance Built In, Not Bolted On

UKG Ready embeds compliance across payroll and HR so policy enforcement is supported by the system, not left to manual oversight, which reduces risk and increases confidence every pay cycle.

Built For Real-World Complexity

UKG Ready is designed to handle the scenarios that break other systems, like complex rules, shift premiums, meal and rest breaks, retro pay, and multi-jurisdiction needs, so teams rely less on workarounds and patchwork processes.

Improved Decision Velocity

When leaders, managers, HR, and payroll operate from the same data, reporting becomes more consistent and action happens faster because teams spend less time reconciling “whose numbers are right” and more time addressing issues.

Extensibility Without The Heavy Lift

UKG Ready Solutions Exchange provides pre-built integrations and partner apps that can speed connectivity and reduce the burden of custom development and ongoing maintenance.

Improved Payroll Confidence and Employee Trust

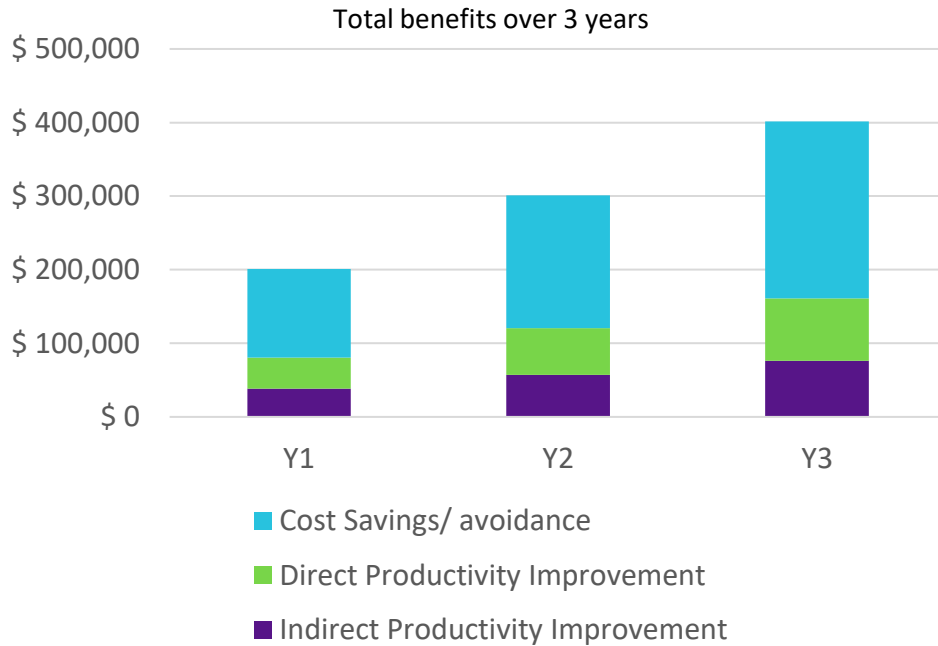
Accurate, timely pay is one of the fastest ways to build trust, and Ready’s unified time and pay approach helps reduce the upstream issues that often lead to employee frustration, corrections, and escalations.

Faster Adoption and Less Training Drag

A consistent experience across HR, payroll, time, and scheduling reduces user confusion and help steams ramp faster, which supports sustained adoption without needing a large internal support bench.

Cash Flow

Benefits



\$731,854

Realized direct benefits over 3 years

\$171,990

Realized indirect benefits over 3 years

\$903,844.1

Total realized benefits over 3 years

Direct benefits

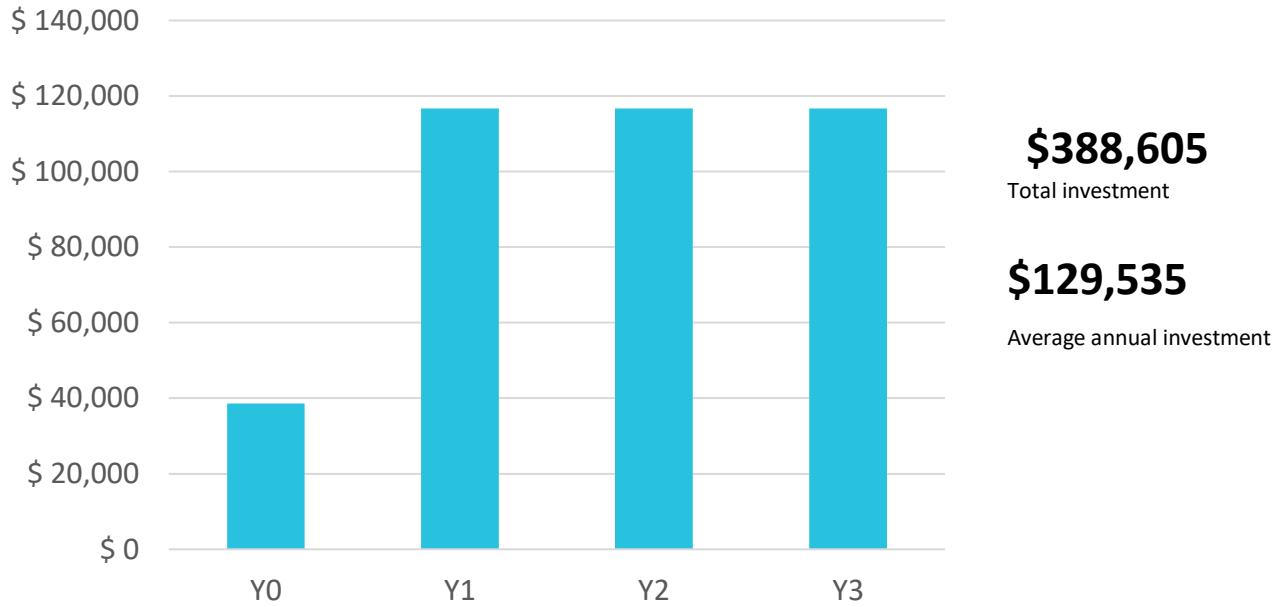
	Year 1	Year 2	Year 3	Total
Reduced Payroll Errors	\$183,456	\$183,456	\$183,456	\$550,368
Reduced Employee Turnover Costs	\$57,173	\$57,173	\$57,173	\$171,518
Direct Cost Savings Total	\$240,629	\$240,629	\$240,629	\$721,886
	Year 1	Year 2	Year 3	Total
Increased Payroll Productivity	\$15,600	\$15,600	\$15,600	\$46,800
Reduced Employee Onboarding / Administration Cost	\$3,300	\$3,300	\$3,300	\$9,900
Increased Employee Self-Service Opportunity Cost	\$23,100	\$23,100	\$23,100	\$69,300
Increased HR Administration Productivity	\$39,312	\$39,312	\$39,312	\$117,936
Increased IT Productivity	\$3,328	\$3,328	\$3,328	\$9,984
Direct Productivity Improvement Total	\$84,640	\$84,640	\$84,640	\$253,920
Direct Savings Total	\$325,269	\$325,269	\$325,269	\$975,806
Realization	50%	75%	100%	
Realized Direct Savings Total	\$162,634	\$243,951	\$325,269	\$731,854

Indirect benefits

	Year 1	Year 2	Year 3	Total
Increased Manager Productivity	\$76,440	\$76,440	\$76,440	\$229,320
Indirect Savings Total	\$76,440	\$76,440	\$76,440	\$229,320
Realization	50%	75%	100%	
Realized Indirect Savings Total	\$38,220	\$57,330	\$76,440	\$171,990

Investments

Investments by category

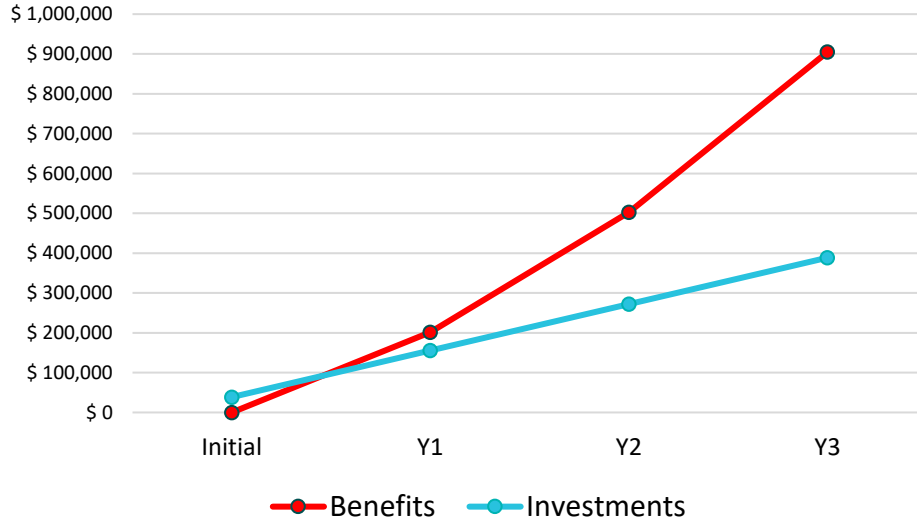


Investment

Proposal	Launch	Year 1	Year 2	Year 3	Total
Cost	\$38,613	\$116,664	\$116,664	\$116,664	\$388,605

Return on Investment

Cumulative investments vs. benefits



133%

ROI (over 3 years)

6

Payback Period (Months)

	Initial	Year 1	Year 2	Year 3
Total Benefits	\$0	\$200,854	\$301,281	\$401,709
Cumulative Benefits	\$0	\$200,854	\$502,136	\$903,844
Total Investments	\$38,613	\$116,664	\$116,664	\$116,664
Cumulative Investments	\$38,613	\$155,277	\$271,941	\$388,605
Total Net Benefits	-\$38,613	\$84,190	\$184,617	\$285,045
Cumulative Net Benefits	-\$38,613	\$45,577	\$230,195	\$515,239